

**WORK, SOCIAL SECURITY BENEFITS,
AND CERTAIN EVENTS
CAN AFFECT
A SURVIVOR ANNUITY**

U.S. RAILROAD RETIREMENT BOARD
844 RUSH STREET
CHICAGO, ILLINOIS 60611

FORM G-476 (6-80)

WHEN WORK CAN AFFECT YOUR ANNUITY

- Your annuity cannot be paid for any month in which you work for a railroad or other employer in the railroad industry.
- If you work outside the railroad industry, your annuity payments may be affected, depending on how much you earn and when you earn it.
- **ANY** work done by a widow(er) age 50-59 or by a child age 18 or older who is receiving an annuity based on disability, can affect annuity payments and **must** be reported.
(Pages 2-4 do not apply to you.)

EARNINGS CAN AFFECT YOUR ANNUITY PAYMENTS

If you work outside the railroad industry and earn more than the ANNUAL EARNINGS EXEMPT AMOUNT in any year, we must withhold part of your annuity payments. (The term “exempt amount” means the amount of money you can earn without losing part of your annuity.)

NOTE: There are two “exempt amounts” beginning with the year 1978. The lower amount applies for years in which you are under age 65. The higher amount applies for years in which you are age 65 or older.

FOR INFORMATION CONCERNING THE CURRENT ANNUAL AND MONTHLY EARNINGS EXEMPT AMOUNTS, CONTACT YOUR LOCAL RAILROAD RETIREMENT BOARD OFFICE.

HOW EARNINGS AFFECT YOUR ANNUITY

- If you do **any work** while you are under age 72, and earn more than the ANNUAL EARNINGS EXEMPT AMOUNT in a year, you will lose part of your annuity. For every \$2.00 you earn over the ANNUAL EARNINGS EXEMPT AMOUNT in a year, \$1.00 is deducted from your annuity.
- In addition, there is a MONTHLY EARNINGS EXEMPT AMOUNT which applies only in the FIRST year you are both entitled to an annuity **and** you have a non-work month. (A non-work month is a month in which you did not work or worked and neither earned more than the MONTHLY EARNINGS EXEMPT AMOUNT nor performed substantial services in self-employment.)

- For the year in which the MONTHLY EARNINGS EXEMPT AMOUNT applies, any reduction made for a month in which you neither earned more than the MONTHLY EARNINGS EXEMPT AMOUNT nor performed substantial services in self-employment will be restored to you after the end of the year. (To determine whether your self-employment services in a month are “substantial,” we consider the amount of time you devote to your business, the kind of services you perform, and how they compare with your services before retirement. We also consider the type of business you operate.)
- The MONTHLY EARNINGS EXEMPT AMOUNT does not apply when your annuity is converted from one type of annuity to another without a break in your entitlement to an annuity (i.e., a child’s annuity converted to a student’s annuity).

WHAT ARE EARNINGS?

Earnings are payments you receive for work you perform for someone else OR in self-employment. When you figure annual earnings, count ALL earnings from employment and self-employment for the ENTIRE year.

- EARNINGS INCLUDE all wages, salaries, vacation pay, commissions, bonuses, fees, tips, retroactive wage increases, and the cash value of any other considerations (such as meals or living quarters) furnished for your services. Count these amounts before payroll deductions for taxes, social security, insurance premiums, etc. Include in your total earnings your NET income from self-employment (profit AFTER deduction of allowable business expenses) in that year.
- EARNINGS DO NOT INCLUDE money you earn from other sources. For example:
 - . . Interest from savings.
 - . . Income from investments—stocks, bonds, real estate.
 - . . Gifts or inheritances.
 - . . Pensions or other retirement payments.

OTHER EVENTS WHICH CAN AFFECT YOUR SURVIVOR ANNUITY

The following events can prevent payment of a survivor annuity or cause an adjustment in the annuity rate. You should report to the Board **immediately** if:

- A widow, widower, or parent receiving an annuity remarries or dies.
- A child annuitant under age 18: marries, dies, enters military service, or leaves his or her present care and custody.
- A child age 18-22 receiving an annuity because he or she is attending school on a full-time basis: marries, dies, enters military service, changes schools, or stops attending school full-time (except for a normal vacation period of four months or less).
- A child age 18 or older receiving an annuity because of disability: marries, dies, leaves his or her present care and custody, or works for **ANY** employer (no matter how much is earned).

HOW WORK AFFECTS A DISABLED WIDOW'S OR WIDOWER'S ANNUITY

If you are a disabled widow or widower, work and earnings can affect your annuity and your Medicare coverage.

- If you are age 50-59, **ANY** work, regardless of the amount earned, may indicate that you have recovered from your disability and may result in the termination of your annuity and your Medicare coverage based on disability.
- If you are age 60-64, **ANY** work, regardless of the amount earned, may indicate that you have recovered from your disability and may result in the termination of your Medicare coverage. (Your annuity will not be terminated if you recover from your disability at age 60 or later.)
- If you are age 60-72, earnings over the **ANNUAL EARNINGS EXEMPT AMOUNT** will result in the withholding of part of your annuity payments as explained on pages 2-4 of this booklet.

IF YOU ARE A DISABLED WIDOW(ER) OR CHILD

- If your annuity entitlement is based on disability, your case may be periodically reviewed to determine whether your condition remains so severe as to prevent work activity and to allow annuity payments to continue. When your case is reviewed we may ask you for information and evidence or to report for a medical examination.
- It is your responsibility to notify us if you perform **ANY** work (regardless of how much you may earn) or if your doctor advises you that your condition has improved and you are able to work.

HOW FILING FOR SOCIAL SECURITY BENEFITS AFFECTS YOUR TOTAL BENEFITS UNDER THE RAILROAD RETIREMENT AND SOCIAL SECURITY ACTS

If you are eligible for a benefit under Title II of the Social Security Act and you elected to have your railroad retirement annuity application protect your filing date for social security benefits, the Social Security Administration will contact you to secure your application. The Social Security Administration will determine your entitlement and compute the amount of any social security benefit to be paid. Any social security benefit payments will be made by the Railroad Retirement Board.

In most cases, the total benefits payable to you and your family under the Railroad Retirement and Social Security Acts will not change if you file for social security benefits. This is because a portion of your railroad retirement annuity is reduced by the amount of any social security benefit awarded to you.

FILING FOR A SOCIAL SECURITY BENEFIT MAY **INCREASE** THE TOTAL BENEFITS
PAYABLE TO YOUR FAMILY ONLY IN ONE OF THE FOLLOWING SITUATIONS:

1. Your social security benefit is larger than the portion of your railroad retirement annuity subject to reduction.

OR

2. You have children or other family members who are not eligible for a railroad retirement annuity, but they are eligible for social security benefits.

OR

3. You are entitled to a widow(er)'s annuity and you do not expect to earn more than the ANNUAL EARNINGS EXEMPT AMOUNT.

If you are under age 72 and are applying for a survivor annuity, filing for a social security benefit may **DECREASE** the total benefits payable to your family if you expect to work and earn more than the ANNUAL EARNINGS EXEMPT AMOUNT. This is because both your railroad retirement annuity and social security benefit are reduced for earnings above the annual exempt amount.

**TO AVOID AN OVERPAYMENT, NOTIFY THE BOARD IMMEDIATELY IF YOU FILE
FOR MONTHLY BENEFITS WITH THE SOCIAL SECURITY ADMINISTRATION.**

WHEN TO REPORT

REPORT as soon as you go to work for any employer in the railroad industry.

REPORT as soon as you find that you will earn more than the Annual Earnings Exempt Amount in any year in which you are under age 72.

REPORT as soon as a widow or widower age 50-64 or a child age 18 or older receiving an annuity based on disability, works for any employer, no matter how much is earned.

REPORT if any other event listed in this booklet occurs.

**FAILURE TO REPORT OR A LATE REPORT MAY RESULT IN AN OVERPAYMENT
IN YOUR ANNUITY WHICH MUST BE REPAYED.**

HOW TO REPORT

- The best way is to call, write, or go to the nearest district office of the U.S. Railroad Retirement Board.
- If you cannot contact a district office, mail a card or letter to the:

**U. S. Railroad Retirement Board
844 Rush Street
Chicago, Illinois 60611**

BE SURE TO GIVE:

1. The RRB Claim Number.
2. The annuitant's name.
3. The deceased railroad employee's name.
4. A clear statement of what event occurred.
5. The exact date (day, month, year) the event occurred.
6. The estimated total earnings for the year (if you are reporting work and earnings).

SPECIAL NOTICE

If you are receiving your own annuity, you must report the events that affect your own payments. If you are receiving an annuity for someone else (for a child or an adult who is unable to handle his or her own funds), you are responsible for knowing the conditions under which that annuity can be paid and for making the required reports.

IMPORTANT — PRIVACY ACT NOTICE

Section 7(b) (6) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f) authorizes the U.S. Railroad Retirement Board to gather information and records necessary to assure proper administration of the Act. The Board asks you for information on your application and on other forms and questionnaires. That information is needed to determine your entitlement (or continuing entitlement) to benefits and the correct amount of such benefits. While you are not required to provide the requested information, your failure to furnish such information may result in non-payment of benefits.

A notice of the record systems maintained by the Railroad Retirement Board is published annually in the Federal Register. The Board may disclose specific information or records concerning retirement, survivor, or pension benefits contained in those record systems to certain third parties without the prior written consent of the person to whom the information or record applies. The routine uses or disclosures which may be made of information from applications and other forms completed in connection with such applications include the following:

- (1) Necessary information may be released to any last employer to verify entitlement for benefits.
- (2) Necessary information may be released to the U.S. Treasury Department or Postal Service to investigate instances of lost, forged, or stolen checks.
- (3) Necessary information may be released to the Internal Revenue Service or equivalent State agencies for tax assessment and auditing purposes.

- (4) Necessary information may be released to the Social Security Administration, Health Care Financing Administration, Veteran's Administration, or various Federal, State, or local welfare or public aid agencies for use in the administration of their respective programs.
- (5) An individual's last address and employer may be released to the Department of Health and Human Services for use in connection with the Parent Locator Service.
- (6) Medical records may be released to Board-appointed medical examiners to carry out their functions.
- (7) Records may be disclosed to the General Accounting Office for auditing purposes and for collection of debts arising from overpayments under either the Railroad Retirement or Social Security Acts.
- (8) Necessary information may be released in answer to a request from an employer covered by the Railroad Retirement Act or the Railroad Unemployment Insurance Act for the purpose of determining entitlement to and rates of certain benefits.
- (9) Information or records may be released in certain instances for law enforcement purposes.

A complete list of routine uses of information is published annually in the Federal Register. The current list may be viewed in any office of the Board.

PENALTIES

ANY PERSON WHO KNOWINGLY AND WILLFULLY REQUESTS OR OBTAINS ANY RECORD CONCERNING AN INDIVIDUAL FROM AN AGENCY UNDER FALSE PRETENSES SHALL BE GUILTY OF A MISDEMEANOR AND FINED NOT MORE THAN \$5,000.

AN IMPORTANT MESSAGE ABOUT YOUR CHECK

You can have your monthly check from the U.S. Railroad Retirement Board deposited directly into a personal checking or savings account in a bank, savings bank, savings and loan association or similar institution, or a Federal or State chartered credit union. It's easy and without cost to you. It is also the safest, most convenient method for you to receive money.

Join millions of other people who now have their Government checks deposited directly in their accounts. Contact your financial organization if you would like more information about direct deposit of your check.

The nearest district office of the U. S. Railroad Retirement Board is the best place to get answers to any questions you may have about your railroad retirement annuity.

*Take Your Record Of Your Annuity Claim With You If You Call In Person At Any Office
Of The U. S. Railroad Retirement Board.*

ALWAYS GIVE YOUR CLAIM NUMBER WHEN WRITING TO US.



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